



Early Journal Content on JSTOR, Free to Anyone in the World

This article is one of nearly 500,000 scholarly works digitized and made freely available to everyone in the world by JSTOR.

Known as the Early Journal Content, this set of works include research articles, news, letters, and other writings published in more than 200 of the oldest leading academic journals. The works date from the mid-seventeenth to the early twentieth centuries.

We encourage people to read and share the Early Journal Content openly and to tell others that this resource exists. People may post this content online or redistribute in any way for non-commercial purposes.

Read more about Early Journal Content at <http://about.jstor.org/participate-jstor/individuals/early-journal-content>.

JSTOR is a digital library of academic journals, books, and primary source objects. JSTOR helps people discover, use, and build upon a wide range of content through a powerful research and teaching platform, and preserves this content for future generations. JSTOR is part of ITHAKA, a not-for-profit organization that also includes Ithaka S+R and Portico. For more information about JSTOR, please contact support@jstor.org.

are more liberal than the state laws in providing for widows and dependent relatives, and for soldiers whose disabilities are not of service origin. It is doubtful whether all of the above influences will account entirely for the discrepancy between the numbers of Federal and Confederate pensioners in the state. There seems to be strong probability that in the administration of the state law greater success is met in excluding from the rolls the names of persons whose claims are without merit or are of a fraudulent character. The comparative simplicity of the law, the publication and distribution of the list of pensioners, and better opportunities for the personal examination of applicants would all tend toward this end. Though not as liberal as might be advisable, the Tennessee law seems to be a reasonable disability provision, carefully administered, and, in many respects, typical of what is being done throughout the South for the ex-Confederate soldiers.

WILLIAM H. GLASSON.

George School, Pa.

ABUSES IN THE GRAIN TRADE OF THE NORTHWEST.

During the past three summers I have spent several months in the grain region of North Dakota, and have taken occasion to investigate the charges which have been freely made for many years that the farmers of the northwest were systematically defrauded by the elevator companies. I find that these charges of unfair dealing are, in the main, well grounded.

The farming industry of the northwest has been established upon a basis of borrowed money. The land was generally given away by the government, but for buildings and machinery the homesteader turned to the money lender. Owing to the uncertainties of his industry, confined almost entirely to a single crop, and also because of the high rates of interest charged, the amount of money which could be borrowed by any one man, was, in relation to his need of capital, insufficient. In general the farmers have been able to house their families and their stock, but shelters for machinery and storage for grain have not yet been provided, save in a few cases. The difficulty in erecting buildings arises not only from the lack of capital but from the high price of lumber.

In the early days of the grain industry, wheat was heaped up by the railroad tracks until cars could be furnished. The farmers had no storage and the railroads were forced to provide storage facilities at all the way stations to keep the grain from spoiling. Large elevator companies in connection with railroads were organized with headquarters in Minneapolis and St. Paul, and hundreds of branch elevators were built which now provide adequate facilities for storing

all grain brought to them, and which also buy grain, by grade, and pay cash for it. There is no pressure brought to bear upon the farmers to force them to sell to the elevator companies. They have the option of storing their grain with the local elevator and of shipping it to Minneapolis, where it will be graded and sold according to the state inspection. Few farmers, however, are in position to wait for the result of an extended transaction of this nature. They need money to pay interest, wages and store bills. The storekeeper who has trusted them for six months is clamoring for his money. The nomadic labor force is anxious to get back to Chicago, and the local bank has an agent on the ground to look out for its interests. Under this three-fold pressure for money, the needy grower must sell his wheat immediately.

The selling price is based on the current price at Minneapolis, but the grade depends on the say of the local elevator man. No. 1, Northern Spring, on October 2, sold at Minneapolis for $67\frac{3}{4}$ c.; No. 2 for $64\frac{1}{2}$ c., and No. 3 for $61\frac{1}{4}$ c.; rejected for 58 c. The price paid, it is evident, varies greatly with the quality of the wheat as indicated by the grade. It is in this grading by local representatives of the large elevator companies where the farmer receives unfair treatment. A farmer drives up with a load of wheat, the elevator man looks at it, and remarks that it is "a little off color," or he tests it and says that "it won't weigh up to No. 1." He offers to buy the wheat as No. 2, or often as No. 3. The farmer may be reasonably certain that his wheat should grade No. 1, but he has no alternative but to accept the offer of the elevator man. He has no place in which to store his grain. His various creditors are pressing him for immediate payment, and he must have money at once. With all this pressure upon him he says to himself: "What's the difference? It's only a matter of a few cents a bushel," and sells his wheat on the elevator man's terms.

That the example just given is typical of conditions throughout the more recently settled portions of the northwest the writer is fully satisfied. It is of course not warranted to charge the grain buyer with consciously defrauding the farmer. He probably does no more than to give himself invariably the benefit of every doubt. But in the grading of wheat, a judgment which can be based upon no fixed standards, and which depends almost wholly for its accuracy upon the fair and unbiased mind of the inspector, it is clear that doubts are always arising. In illustration of the largeness of the opportunity for partisan and unfair dealing which the looseness of the standards of inspection present, I offer the following description of the various grades of spring wheat, recognized by the Illinois Railroad and Warehouse Commission:

No. 1, Spring.—Must be sound, plump and well cleaned.

No. 2, Spring.—Must be sound, reasonably clean and of good milling quality.

No. 3, Spring.—Includes all inferior, shrunken, dirty spring wheat, weighing not less than fifty-three pounds to the bushel.

With such a wide latitude of judgment, it is nothing strange that the elevator man should almost invariably discriminate against the farmer to the advantage of his company or himself. An actual illustration of this unfair treatment which came under my own observation is of interest. During the month of August, a farmer living near Fargo, North Dakota, hauled several loads of wheat to a local elevator. His grain was of good color, but light in weight, owing to the small size of the kernels. The buyer would only receive it as "rejected" wheat, a grade lower than No. 3. Not being pressed for money, the farmer decided to ship his grain for his own account. He also shipped another lot which the elevator graded No. 3. In all he shipped nearly five thousand bushels, and received No. 2 prices for all except one of the eight cars, and this sold for only one cent per bushel under the No. 2 price. On 5,000 bushels the difference between No. 2 and No. 3 prices, in last August, was \$282.75, which would have gone to the elevator company, had this farmer been circumstanced as are most of his neighbors.

The elevator companies also make large profits by judicious "mixing" of different grades. An elevator, for example, can mix an extra good grade of No. 2 with a little of No. 1, and make it all go No. 1. Again, No. 3 can be mixed with No. 2 to make the entire lot grade No. 2. An employee of an elevator company remarked in my hearing, "The secret of the trade is to know how much poor wheat a bin of good wheat can stand, without changing the grade." The elevator companies draw their supplies from such a large territory that many varieties of grain are at their disposal for mixing. This, however, is not a matter which directly concerns the farmers, but is between the state inspectors and the elevator companies. So far as the farmers are concerned, to recur in conclusion, to their peculiar grievance of undergrading by the local elevators, this is an evil which can only be remedied as the growing wealth of that section makes them more independent of creditors, increases the number and size of farm storage bins, and frees the grain grower from his present bondage to the elevator companies. The experience of the Dakota farmer shows the wisdom of the general practice throughout the West, which secures an impartial inspection and grading of grain by assigning that duty to public officials.

Meadville, Pa.

LEWIS WALKER, JR.